GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1378
ANSWERED ON:02.03.2001
LOANS UNDER POVERTY ALLEVIATION PROGRAMME
RAJO SINGH

Will the Minister of FINANCE be pleased to state:

(a) the guidelines issued by the Reserve Bank of India and Ministry of Finance to nationalized and rural banks to make the funds available under various poverty alleviation and rural development schemes of the Government;

(b) the action being taken against these banks, which do not comply with these guidelines;

(c) whether the Government have received complaints against the bank branches located in several districts of Bihar including Jammui, Shekhpura, Begusarai and Lakhisarai districts for not providing funds and non-cooperation;

(d) if so, whether the Government/Reserve Bank of India have conducted any inquiry in this regard;

(e) if so, the details thereof and the action taken against the banks found guilty; and

(f) the steps being taken by the Government for providing funds to the poor according to the purposes fixed by the bank in the State including the above mentioned districts of Bihar ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) Reserve Bank of India(RBI) have issued guidelines for different schemesto all Nationalized Banks. The name of the schemes and date of guidelines issued are :
(i) Swarnjayanti Gram Swarojgar Yojana(SGSY), dated 1.9.1999,
(ii) Swarnajayanti Shahari Rojagar Yojana (SJSRY), dated 1.12.1997,
(iii) Scheme for Liberation & Rehabilitation of Scavengers(SLRS), introduced in 1993,
(iv) Differential Rate of Interest(DRI), dated June 3, 1972 (Revised guidelines issued dated 6.7.1977) and
(v) Prime Minister`s Rozgar Yojana(PMRY), has been in operation since October 2, 1993 (modified parameters have been in force since 1.4.1999). National Bank for Agriculture and Rural Development(NABARD) has issued guidelines to Regional Rural Banks ir respect of SGSY Scheme dated November 19, 1999.

(b) RBI has informed that progress of implementation of these schemes is reviewed in the State Level Bankers` Committee (SLBC) meetings & the banks are directed to follow the guidelines and achieve the targets.

(c) to (f): Yes Sir, RBI reportedly had received a complaint from the Hon`ble Member that the funds released under Swarnjayanti Gram Swarozgar Yojana (SGSY) and other Rural Development Schemes in the districts of Begusarai, Bihar (Jamui, Shekpura, Begusarai & Lakhisarai) are not being utilized properly due to non-cooperation of officials of banks particularly Grameen Bank which is the lead bank in the District. The complaint was examined by the Regional Office of RBI, Patna.
RBI has informed that they have initiated steps to redress the unsatisfactory position and Lead District Officers (LDOs) have been advised to strengthen micro level monitoring of the schemes in the respective districts to ensure that banks make all out efforts to achieve the targets under the schemes. LDOs are also drawing the attention of the concerned Bank branches in various District level meetings and RBI`s Regional Office has been periodically reviewing the progress and writing to the controlling offices to take necessary action for achieving the targets. Special meeting were held in Lakhisarai and Sheikpura districts for working out strategies for increasing credit flow by banks under SGSY.